(d) if not, the action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYASAGAR RAO) : (a) and (b) Distillation and brewing of alcoholic drinks is licensable under the Industries (Development & Regulation) Act, 1951. Government has decided not to permit setting up of additional capacity in the potable alcohol sector. As per the legal position settled on the basis of the judgement of the Hon'ble Supreme Court in the case of Bihar distillery, now the States in India have total and exclusive control over the potable alcohol sector, including licensing of distilleries. As per the extant policy, Foreign Direct Investment (FDI) upto 100% is permitted in the potable alcohol sector with prior Government approval against capacity under existing Industrial Licence and where no endorsement of licence or any other form of servicing the Industrial Licence is involved. The FDI policy in respect of all sectors, including potable alcohol sector, lies within the exclusive domain of the Central Government. Prior approval of the Government is required for purchase of shares of existing companies.

(c) and (d) FDI in potable alcohol sector has been approved in 25 cases in the States of Karnataka and Maharashtra. No centralized data on take over of existing distilleries by MNCs is maintained. In the case of 100% takeover of M/s Oceanic Distilleries Private Limited, Maharashtra by M/s Seagram Manufacturing Private Limited without Government approval, RBI has been directed to take appropriate action under the relevant legal provisions. Acquisition of 16,37,570 equity shares of Rs.10 each equivalent to Rs. 120.00 crore in M/s Mysore Breweries Limited by M/s South African Breweries India Limited has been approved by the Government.

Registration of food items imported in USA

2713. SHRIMATI N.P. DURGA : Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that USA has made it mandatory to register with FDA all the manufactured, processed, packed food items imported into the country;

(b) if so, the details thereof;

(c) whether it is also a fact that foreigner exporter must also furnish, under the new rules, the details of US Agent and other details;

(d) if so, the reasons therefor; and

(e) to what extent it would affect exports from India?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYASAGAR RAO): (a) to (c) Yes, Sir. The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bio Terrorism Act) of the United States requires domestic and foreign facilities that manufacture, process, pack or hold food for human or animal consumption in the United States to register with their Food and Drug Administration (FDA) by December 12,2003. For facilities outside USA, the registration must include the name of the US Agent for that facility.

(d) The new US legislation has been enacted with the intention to make the FDA respond quickly to a threatened or actual terrorism attack on the US food supply and also to determine the location and cost of a potential threat.

(e) The law is applicable to all countries exporting to US and is, therefore, non-discriminatory. Though the full impact of the new regulation would be known only after it has been implemented in December, 2003, it is not expected to cause any disturbance in bilateral trade.

Exports to China

2714. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that during the last financial year exports to China have significantly improved;

(b) if so, the details thereof alongwith the ratio of imports to exports; and

(c) which sectors are likely to show better performance?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYASAGAR RAO): (a) Yes, Sir.

(b) The level of trade between the two countries during the last two years is given below :-